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CHICAGO HARBOR, ILL.

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HEARINGS

ON THE SUBJECT
OF THE

IMPROVEMENT OF CHICAGO HARBOR, ILL.

HELD BEFORE THE

COMMITTEE ON RIVERS AND HARBORS

HOUSE OF REPRESENTATIVES

SIXTY-FOURTH CONGRESS

CONSISTING OF

STEPHEN M. SPARKMAN, Florida, *Chairman.*

D. F. BURGESS, Texas.
WILLIAM G. HUMPHREYS, Mississippi.
JESSE G. EDWARDS, Georgia.
W. L. SMALL, North Carolina.
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ALLEN T. TREADWAY, Massachusetts.
JAMES A. FREAR, Wisconsin.
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WILLIAM C. BROOKER, *Clerk.*

JOSEPH H. MCGANN, *Assistant Clerk.*

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CHICAGO HARBOR, ILL.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON RIVERS AND HARBORS,
Monday, December 13, 1915.

The committee met at 10.30 o'clock a. m., Hon. Stephen M. Sparkman (chairman) presiding.

STATEMENT OF MR. JAMES G. SKINNER, ASSISTANT CORPORATION COUNSEL, CHICAGO, ILL.

Mr. SKINNER. Mr. Chairman and gentlemen of the committee, in the first place, I desire to say we will be very pleased to have you look at the photographs of our new municipal improvement in Lake Michigan, and also the charts or maps that show the location of the municipal Pier No. 2 north of the mouth of the Chicago River, and also the cross section of the pier. His honor the mayor is to be here in a few moments to present this matter, but in the meantime I might take up some of the history and facts and figures relating to this improvement.

In 1911 or thereabouts the city of Chicago definitely decided upon a program of outer-harbor development and pier construction, and I believe you will find in Document No. 710, second session, Sixty-third Congress, the treatment of this proposition in the report of the Engineers of the War Department in which the outer-harbor improvement is approved by the Chief of Engineers, the proposition being for the General Government to add to the existing breakwater. This is also shown on the blue print on the table and also on this larger chart here. Here [indicating on chart] is Pier No. 2, but it is much longer than shown here. Pier No. 2 is 3,000 feet in length east and west, and 292 feet in width north and south. The city of Chicago bought of the shore owner, the riparian owner, a strip of ground 100 feet in width east and west, and 514 feet in length north and south, and also took over this pier protection which was built by the Chicago Dock & Canal Co. as a protection to the entrance to the Ogden Slip, and that company had an agreement with the Government forever to maintain that. The city of Chicago took over that portion of the agreement. Then the city of Chicago has filled in 500 feet by approximately 1,000 feet, making in all $11\frac{1}{2}$ acres of land, and has since made about 10 acres of land to the north under another permit, and east of that comes the 3,000-foot pier. The first level has two freight sheds running from the administration or head house building 2,340 feet, one on the north side and one on the south side, and between those is an 80-foot roadway. That is on the first

level. On the second level are two passenger structures each 2,340 feet east and west, one on the north and one on the south, and they are 67 feet in width, each of them. At the eastern end is the recreation pavilion completing the full length of the pier.

When this project was decided upon by the city of Chicago, it was approved first by the engineers' office, as is found in Document No. 710, second session, Sixty-third Congress, and the matter was submitted to this committee and to the Congress for an initial appropriation. An initial appropriation of \$350,000 was made by the Congress to start breakwater construction. Of that amount \$74,000 was diverted for repairs on the outer breakwater here and on the inner breakwater to the south, leaving only \$276,000. Of this amount \$226,000 has been used in the construction of the link from the northern end of the old or existing breakwater toward Oak Street, leaving 1,500 feet of that work, which cost \$226,000. It is still proposed to add 750 feet to that 1,500 feet, making in all 2,200 feet of breakwater protection. Last March, after the appropriation of \$25,000,000 was made, with \$5,000,000 of transfers, we appeared before the Chief of Engineers and the Secretary of War and asked for as liberal an allotment for pushing forward this project of breakwater protection as was consistent with the claims of other projects throughout the country. We represented to the Secretary of War and to the Chief of Engineers that the city of Chicago had, in round numbers, \$4,000,000 invested in this project; to be exact, I can say now that the site and construction cost the city of Chicago \$3,668,129, and that brings the work to completion this month. This is upon a bond issue, and those bonds bear interest at the rate of 4 per cent. That means that the taxpayers of Chicago will have to raise, in round numbers, \$148,000 annually to defray the interest on the bonds used in the purchase of the site and the construction of the pier. Now, we are very anxious to get the remaining links of breakwater construction completed so that we can make this a paying proposition.

The CHAIRMAN. And there are about 3,000 feet to be constructed?

Mr. SKINNER. Five thousand feet; and with the \$500,000 that the Secretary of War and the Chief of Engineers allotted to us on April 1, after our hearing in March, contract has been let for 2,270 feet from the lighthouse down to opposite the entrance of the river.

The CHAIRMAN. I mean 3,000 yet to be constructed after that work is done?

Mr. SKINNER. In round numbers; yes. I think Col. Judson told me the other day that, according to his estimate, there would be 2,730 feet which, with the 750 here [indicating], makes 3,480 feet, the 750 feet completing this Oak Street wing and the 2,730 feet making in all 3,480 feet yet to be constructed. It can not be told now exactly just what this is going to cost or just how far the \$500,000 allotted to us last April will go. This work is done by contract, and so much is paid per cubic yard of rock or whatever the contract unit may be; and the engineers can not tell definitely just how much of that rock will sink down deeply into the mud at the bottom of the lake before it begins to pile up and finally receive the crowning cap. But it is estimated that the \$500,000 allotted last April will complete down to opposite the mouth of the river, and it is for this remaining link of 2,730 feet and this 750 feet here [indicating] that we appear

before you to ask the additional and final appropriation, estimated by the engineers to be \$714,300.

The original estimate for this improvement was \$1,211,000 plus. Upon a reestimate made by Col. Judson after his location at Chicago, because of the fact that both labor and materials have risen in price, the new estimate of the Engineer Department for the completion of the project was \$1,490,300. Now, with the \$226,000 to build this work [indicating] and with the \$500,000 to build this work [indicating], making \$776,000, if you deduct that from the \$1,490,300 it will leave a balance of \$714,300.

The CHAIRMAN. And that is what you want us to appropriate?

Mr. SKINNER. That is what we want. The Engineers' report in 1912 was to the effect that the improvements should be completed within three years. We have gone ahead and are completing our pier construction within the three years.

The CHAIRMAN. Let me ask you, was it not the understanding that you would complete two piers?

Mr. SKINNER. No; that question was taken up——

The CHAIRMAN. I mean in the original project. I see here on page 4, "The first step proposed is the construction of two piers, estimated to cost \$4,400,000." Now you propose to build one pier costing nearly \$4,000,000.

Mr. SKINNER. The first project——

The CHAIRMAN (interposing). That is the project we adopted.

Mr. SKINNER. The first project did not propose as large a pier for Piers 1 and 2 as we have actually built. Upon a reconsideration of the plan it was thought better to build this combination pier with a freight level for the first level and a passenger level for the second level. By the way, I omitted to say that there is a street car that loops out 2,340 feet on the second level to accommodate passenger traffic to and from the pier. In answer to your question, the initial pier, which is shown on the chart as Pier No. 2, is made considerably larger than the project as first laid down on paper. In the matter of the first appropriation, the Secretary of War was authorized to let contracts out of that initial \$350,000 when the city of Chicago should give sufficient assurances that it would carry out the project.

The CHAIRMAN. Now, just what was the project, Mr. Skinner?

Mr. SKINNER. Well, that is the question we had to appear before the Secretary of War on, and we had to show him whether we were making good in building one pier, and this is what we said to the Secretary of War: We are investing \$4,000,000——

The CHAIRMAN (interposing). Aside from what you said to the Secretary of War, what really was the project?

Mr. SKINNER. What was the project? That is the question I am trying to answer.

The CHAIRMAN. I would rather have your own language now than have what you said to the Secretary of War; not that you would say anything different here from what you said to him, but I would like to have an answer to my question. I have never been able to get an answer to that except as I gather it from the report.

Mr. SKINNER. The best answer I could give to that question is to recite the facts as I know them, Mr. Chairman, and they are these: When the project was being initially considered a chart was drawn

and brought down here, a copy of which appears at page 5 in this document, No. 710, and that shows the development of five piers. The city of Chicago has always considered that as merely showing possibilities. No person officially connected with the city of Chicago, neither the mayor nor any of the aldermen I have ever conversed with, deemed that the city intended to go into the matter of harbor development and build at once five piers, for the reason that we want to see how the first pier will be taken up by the steamboat companies and used, and see whether it is a paying project. To make this development with five piers would cost from \$15,000,000 to \$20,000,000, and as a matter of good finance and of good business the city wishes to see how the vessel interests and the commercial interests will take to this municipally owned pier.

In that connection we want to call your attention to the fact that we hope to encourage municipal piers in Cleveland, Detroit, Buffalo, Milwaukee, and other places rather than privately owned piers, because if there are municipally owned piers there that will help our situation, we believe, very materially in the city of Chicago. Now, when the Secretary of War called upon us to answer the very question you are presenting to me now all we could say was what I am saying to you, Mr. Chairman and gentlemen of the committee, and that is that this chart or map which was sent down here to Washington to the Engineers' office and presented to your committee was a chart or map that merely indicated possibilities for five piers within what we have designated, under our State harbor act, as "harbor district No. 1."

Mr. EDWARDS. Who got up the map you refer to now?

Mr. SKINNER. This map was gotten up by Mr. Shankland, the president of the harbor and subway commission. Mr. Shankland is here, as is also the engineer who has built this pier. It was gotten up to show the number of piers that could be built in that district. No one ever dreamed that we would build more than one at a time until we saw how they were used.

Mr. GALLAGHER. You have, in point of fact, practically constructed two piers in one.

Mr. SKINNER. We have.

The CHAIRMAN. The fact is the project was adopted on condition that you would satisfy the Secretary of War that you were going to do a certain amount of work, and the Secretary of War has signified his satisfaction with the showing you have made, the way the work to be done by you has been going on and is going on.

Mr. SKINNER. That is true.

The CHAIRMAN. And we are confronted now with the proposition of appropriating seven hundred and some odd thousand dollars for the purpose of completing the work that the Government is doing there, it already having done about one-half.

Mr. SKINNER. That is the proposition.

The CHAIRMAN. You have about completed the pier. I understand it will be completed in a few weeks now.

Mr. SKINNER. That is true.

The CHAIRMAN. We visited the pier this summer, as you will recall, and, while it is a very fine pier, it looked to me like quite a curtailment of the work which you gentlemen in your optimism

undertook in the beginning. However, it has occurred to me that the work you are doing is sufficient to justify Congress in completing the project it started out to complete.

Mr. SKINNER. I think, Mr. Chairman, we could very easily have constructed two piers with just a little bit more cost. In the first instance it was estimated we could build two piers for \$5,000,000, and the people voted a bond issue of \$5,000,000, which was approved. Then came a delay of one year through some question of the legality of the original act, and we had it repassed in the State legislature, and a small portion of the \$5,000,000 of bonds lapsed before they went on the market, I think, \$250,000, and then when the project was finally worked out, as has been very well remarked here by Congressman Gallagher, we really built two piers in one, and we have quite a bit of an additional dockage down here [indicating] as well as along the pier. While the pier is 6,292 feet around, we have 8,500 feet of dock frontage for vessels to tie up to.

Mr. EDWARDS. When your breakwater is completed what will the whole breakwater cost?

Mr. SKINNER. \$1,490,300, according to the estimate of the engineers.

Mr. EDWARDS. Does that include the cost of the part already constructed?

Mr. SKINNER. Yes, sir.

Mr. EDWARDS. And how much money has the city spent there—\$5,000,000?

Mr. SKINNER. The city to date has put in \$3,668,129 and after perhaps one year when the filling has had a chance to settle, the city will put in about \$100,000 for paving, and the city also stands ready to put in quite an expenditure, perhaps \$100,000 or more, for equipment for the pier.

The CHAIRMAN. Of what does that equipment consist?

Mr. SKINNER. Mr. Shankland can answer that question better than I can.

The CHAIRMAN. Mr. Shankland, will you state what that equipment will consist of?

Mr. SHANKLAND. There has been no provision made for fitting up the pier for the boat companies who are going to lease the pier; their offices and appliances of that kind, and also the different appliances to take care of the freight.

The CHAIRMAN. You are to lay some railroad track there?

Mr. SHANKLAND. Yes, sir.

Mr. SKINNER. There is another fact I wish to mention. The Northwestern comes in here and stops right here [indicating]. The Northwestern has a right to lay its tracks out to that line.

The CHAIRMAN. How far is that out on the dock?

Mr. SKINNER. That is within 600 feet of the head house. We have a right under the State act to construct and operate our own terminal facilities and connect up with the Northwestern. We can compel them under the common-carrier laws to accept our freight at that point, and that is what will probably be done.

Mr. GALLAGHER. Mr. Chairman, I think it ought to be stated there that without the continuation of the breakwater we can not use the pier.

Mr. SKINNER. I am coming to that in a moment, Congressman Gallagher.

The CHAIRMAN. I wish you would state clearly and succinctly what the city proposes to do. How much of the terminals they propose to own, and so on.

Mr. SKINNER. Everything on the city's own property, which means 600 feet of ground up to the head house and 2,340 feet out on the pier.

The CHAIRMAN. They are to own the entire trackage there?

Mr. SKINNER. Yes, sir.

The CHAIRMAN. How many tracks will be put there?

Mr. SKINNER. It is an 80-foot roadway, and you can place as many as five if deemed advisable.

The CHAIRMAN. How many does the city propose to put there?

Mr. SKINNER. Two on either side. Mr. Littler, the chairman of the harbor, wharves, and bridges committee is here and says that that is the proposition.

Mr. EDWARDS. How much front does the city own there?

Mr. SKINNER. The city now owns from the Government north pier to this point [indicating], which is 1,014 feet, and the distance from here to here [indicating] is 400 feet, making a total of 1,414 feet.

Mr. EDWARDS. What do you mean by leasing to the Northwestern the right to go out on this pier? Let us get that straight.

Mr. SKINNER. The city has not leased anything to the Northwestern. The Chicago Dock & Canal Co., which owns up to the city's ownership line, had an agreement with the Northwestern Railroad Co. prior to our purchase from the Dock & Canal Co. of the site that the Northwestern might lay tracks out to the water's edge. We bought 100 feet of that strip, and at the time of our purchase the Dock & Canal Co., our grantor, released or procured from the Northwestern Railroad a release of their right in our 100-foot strip.

Mr. EDWARDS. Then, they have no monopoly there, and other roads can come in on any terms agreed upon?

Mr. SKINNER. Yes, sir.

Mr. TREADWAY. How about the ownership of the land approaches there?

Mr. SKINNER. At the time the city bought the riparian rights in this 100-foot strip it bought two street strips—that is, Illinois Street and Indiana Street, now called Grand Avenue—each 900 feet long, reaching from the eastern terminus of each of those streets, Illinois and Indiana Streets, out to the city's 100-foot strip. They are each 900 feet long and are 74 feet wide.

Mr. EDWARDS. As I understand it, the pier already constructed there is of practically no value until this breakwater is completed?

Mr. SKINNER. That is true, because the companies will not go out and take leases until they can be assured of protection.

Mr. EDWARDS. There is also the danger of your pier being destroyed unless this breakwater is constructed.

Mr. SKINNER. Yes; there is that danger from the ice flows and from the action of the waves.

The CHAIRMAN. Is it proposed to connect the city's track with the railroad track or to let the railroad connect its track with the city's track on the pier?

Mr. SKINNER. Yes; the proposition is to connect the two.

The CHAIRMAN. Do you think any other railroad, except the one you mentioned, will come in?

Mr. SKINNER. There is no other railroad except the Northwestern that has any terminal facilities unless you tunneled under the mouth of the Chicago River. The Illinois Central has tracks and yards right in here [indicating]. That is a matter I have discussed a number of times with different gentlemen, and the Illinois Central could, by tunneling under here [indicating], or the city could build a tunnel there and connect with the Illinois Central which has connections along the south shore with the Michigan Central and the Big Four, and the project in Chicago now is to build a new Illinois Central depot either at Twelfth Street or at Randolph Street and take in a very large group of the railroads. We have with us this morning Alderman Ellis Geiger, chairman of the council committee on railway terminals, who has that project in charge, and we have been working on that project for the last two years in Chicago.

The CHAIRMAN. The mayor is also here now, and may be heard whenever you are through.

Mr. SKINNER. I am through when I have finished with just one other point which has been brought out here. I want to lay great emphasis upon the fact that until the General Government gives us this breakwater protection we can not make productive, our pier can not be made productive, so we can get a return upon our investment of \$4,000,000, in round numbers, and our taxpayers will have to bear that burden, of from \$150,000 to \$160,000 a year, to meet the interest on the harbor bonds which we have issued. We simply say to you gentlemen that we have completed our pier. We have made our investment, and as it was indicated in this report three years ago that the Government would go ahead with the protection work, we now ask you and hope that you will complete it for us.

The CHAIRMAN. We will ask you to state briefly how you propose to get returns upon your investment.

Mr. SKINNER. The State harbor act, section 3, provides for 20-year leases of all these facilities. There are a number of vessel companies willing, just as soon as breakwater protection is completed, to go out and take leases there. There are gentlemen here in the room who are members of the compensation committee who will go to Baltimore, Philadelphia, New York, Boston, Montreal, and Quebec to study the question of rate of leases. Those leases are to be made by the city council for periods of not to exceed 20 years, upon rentals fixed by the city council and agreed to by the lessees.

The CHAIRMAN. What do you propose to lease it for? Are there any restrictions as to the purposes for which you will lease it?

Mr. SKINNER. For all harbor purposes.

The CHAIRMAN. Does the act make any restriction?

Mr. SKINNER. There is the restriction that not to exceed two-thirds can be leased for periods of longer than one year.

The CHAIRMAN. I understand that. I mean as to the uses to which it is to be put.

Mr. SKINNER. Nothing further than that they are to be harbor and commercial purposes.

The CHAIRMAN. What does the act say on that point?

Mr. SKINNER. I have not the exact language before me, but it is restricted to harbor uses and purposes and commercial uses. I might negative the question by saying that there have been various proposi-

tions to put up industrial concerns out there, and in connection with those propositions there have been movements to get amendments to the act, but thus far that has not been done. For instance, it was proposed to build a convention hall out there, but there was no authority for it, and the proposition was turned down because it could not be carried out under the law as it now exists. The pier and its appurtenances must be used for strictly harbor and commercial purposes. We have a definite understanding with the War Department that no structure shall go up out there that is not strictly for harbor and commercial purposes. The plans and specifications for every structure out there must be submitted to the War Department before we can put it up.

Mr. MADDEN. The truth of the matter is that it is a harbor with everything built for the purpose of encouraging commerce, to facilitate the movement of commodities by water, and to prevent the monopolization of the dockage. That is the whole story.

The CHAIRMAN. What I had in mind was this: I want to know whether the act restricted its use to the two purposes mentioned, because when such a pier is completed the temptation is very great to use it or permit its use for other purposes.

Mr. SKINNER. I now recall it. It has been two years since the act was passed, but I think I remember it. Although I worked very carefully over it, I do not recall all of its provisions, but there is a provision in that State act providing that if at any time the city does not use it for the purposes therein specified the property shall revert to the State of Illinois, so that the city will have to keep itself within the limits of the restrictions of the act or it will stand to lose the property by reversion to the State.

Mr. EDWARDS. The intent of the act, I guess, is very clear. It is for commercial and harbor purposes, meaning the handling of commodities, as indicated by Mr. Madden.

Mr. SKINNER. It is. This first section of the act is quite clear. We may put up warehouses, but only for commercial purposes.

Mr. HUMPHREYS of Mississippi. Then the only purpose you have in view is to have a real harbor there and to do the things done in all harbors?

Mr. SKINNER. Yes, sir. While other projects have been brought forward, they have been frowned upon and the proposers of them have been told that there was no legislative authority whereby it was possible to carry them out.

Mr. GALLAGHER. Chicago is an important harbor for packet traffic coming from Michigan. There is a great deal of fruit and small package freight coming from over there in Michigan, and they need a pier for the accommodation of this kind of freight.

STATEMENT OF HON. WILLIAM HALE THOMPSON, MAYOR OF CHICAGO.

Mr. THOMPSON. Mr. Chairman and gentlemen of the committee, I want, first, to apologize. I understand that you did not call your meeting together promptly or start promptly because there was some delay on my account. As I understood it from my friends, you were going to start right in and they were going to talk and I was to fol-

low them. Had I known that there was to be any delay I should have been here promptly, but I did not understand it, and I want to apologize.

The CHAIRMAN. We did not delay the hearing very long, although we were desirous of hearing from you.

Mr. THOMPSON. Thank you, sir.

Broadly speaking, gentlemen, I would like to call this point to your attention. The great city of Chicago has practically no harbor of refuge. Many other smaller cities on the Great Lakes have very much better harbor facilities than Chicago. When the Government engineers laid out this breakwater here [indicating] it was partly for the purpose of a harbor of refuge. There is a gap here [indicating] and then there is another piece of breakwater that runs on. That [indicating] used to protect quite a large basin, and that basin used to come close to the line like that [indicating]. That was all water from there to there [indicating]. As the years have gone along all of that [indicating] has been filled in up to this line here [indicating], and, as I understand it, the Government has already given permission, or is considering giving permission, to the South Park system of Chicago to fill this end up to the end of this pier here [indicating] or a portion of that area [indicating], for the entire lake frontage, and thus reduce the water area again. In other words, what is left here [indicating] now is literally a yacht harbor, and it is not really large enough to accommodate the yachting interests of the city of Chicago to-day. As for a commercial harbor or harbor of refuge the city of Chicago has practically nothing, because the place that this was originally intended to give protection to has been filled in here [indicating], until there is no room in which to maneuver with ships of any size whatever.

The CHAIRMAN. When the outer breakwater is completed that structure will be rather in the way, will it not?

Mr. THOMPSON. There is practically no use for this [indicating] as I see it. When Chicago gets this breakwater which she ought to have—

The CHAIRMAN (interposing). It would be of no use, but would be in the way?

Mr. THOMPSON. I do not know that it would be in the way, Mr. Congressman, but I should think that there would be no real reason for maintaining it in the future at any expense to the Government, and it had might as well be removed as to remain there. When it wears out I do not think there would be any reason for maintaining it in the future at any further expense.

Of course our important storms, or our most severe storms, come from the northeast. They get a sweep of upward of 200 miles of sea, and this breakwater breaks off the northeast storms. The next most important storms come from the southeast, which have a sweep of about 35 miles, and which make a very severe sea. Now, with this northeast breakwater and the work completed there [indicating], and with this new breakwater, as contemplated, running south here [indicating], the city of Chicago will have a harbor of refuge, and it is very important that our city should have it. Even if you do not consider these piers at all, or the protection of the great municipal pier, in my opinion, and I believe you will agree with me, Chicago should have a proper harbor of refuge to begin with.

Now, in building the breakwater you not only give Chicago a harbor of refuge but you also break off the dangers of the southeast gales to the municipal pier, which the city of Chicago has spent this large amount of money for. We feel that it is only fair that we should ask the Government to give us that protection, because the city has shown its own good faith in expending this money that has been raised and which was approved by the people in a general election, when they voted those bonds to build a pier for the purposes for which it was designed. There is one very important question that one of the Congressmen asked, and that is, What are the facilities for railroads other than the North Western to reach this pier. As I understand it, permission has been given, or it is being considered, whereby the Milwaukee & St. Paul Railroad will come down here; but, more important than that, the underground-tunnel system of the city of Chicago goes to the freight depots of all the railroads in the city except two—the Pierre Marquette is one and the other, I think, is the Soo Line. Those two have no connection at the present time, but it would be a very important step for them to have adequate connections. That tunnel handles freight to all of those warehouses that are down in this district now, and it could be very easily continued to the municipal pier. In other words, all freight can be transferred underground in the city of Chicago to every railroad, with the exception of two, and those two railroads can make connection with the tunnels if they see fit. There are 27 main lines, or great trunk lines.

Mr. TREADWAY. Is that a municipal line?

Mr. THOMPSON. No, sir; it is a private corporation; but that tunnel is so operated at the present time that the law that prevails in the city of New York whereby lighterage charges are absorbed by the railroads that have the long haul applies, and the haul through the tunnel from the different spots in Chicago to the freight depots is absorbed by the railroad that gets the long haul. In other words, the railroads of the city of Chicago have a working agreement under the law with the tunnel company.

The CHAIRMAN. And that rate for the long haul is fixed by the Interstate Commerce Commission?

Mr. THOMPSON. Yes, sir. In fact, it is all governed by the Interstate Commerce Commission.

Mr. EDWARDS. Don't you think the tunnel system should be connected with the pier?

Mr. THOMPSON. Yes, sir; I do; and I do not think there is any doubt but what it will be, because it is within a few hundred feet now. In fact, one of my personal friends is interested in a big warehouse down here. It is 1,800 feet long, and there are two tunnel stations in that great building. That building is occupied by tenants composing Chicago's most important mercantile houses, which receive goods in large quantities there and store them there until they are sold. Others are sold direct and are shipped through the tunnel out through the country. All this stuff is handled through the tunnel instead of by teams, etc. They have in this one warehouse a local station where they bill stuff direct from there to its destination, including the tunnel haul and railroad haul. That same service can be given on the pier by carrying the tunnel a few hundred feet. That will insure all the railroads having a fair chance at the freight,

and I take it that that is the point you make—that all of the railroads in the city of Chicago should have an equal chance at this freight.

The CHAIRMAN. What kind of freight do you contemplate would be shipped from that pier?

Mr. THOMPSON. The point that Congressman Madden makes is a very important one. All the east shore of Lake Michigan, or the west shore of the State of Michigan, within a radius of 100 miles up and down the coast is famous as a fruit belt. Great amounts of fruit and canned foods, such as peas, beans, and that sort of thing, are raised in that particular gardening district.

The CHAIRMAN. What is the heavy freight?

Mr. THOMPSON. Salt. There is a great deal of salt manufactured at Manistee and other lake ports along there. They can manufacture salt economically there by taking the waste from lumber sawmills and using it for fuel in the evaporation of salt water. In other words, their fuel cost is practically nil, because they utilize the waste from sawmills and in that way make salt economically.

The CHAIRMAN. Outside of salt and such things as you have mentioned, there is no commerce using that harbor just at this time; that is, no commerce not using the river?

Mr. THOMPSON. There is some commerce in those slips there, and there is some passenger steamboat lines here, but the connection with the city is bad. So far as the connection between the pier and the city is concerned, this connection is much better on account of the street car lines that loop on the pier on the inside. Then, there is a lot of coal and heavy freight handled here. There is a lot of coal and there is a good deal of grain handled here. But this harbor as it is to-day is to be simply a harbor of refuge, but ships can scarcely maneuver in it.

The CHAIRMAN. There seems to be quite a falling off in Chicago River commerce. How do you account for that?

Mr. THOMPSON. I think one of the reasons is that it is expensive to take big ships away up our rivers. With this pier, where big ships could dock and unload, they could have their freight handled either by this tunnel or by rail or by wagon or by lighter. I want to impress the thought of lighters, because I believe Chicago will soon come to an extensive lighterage system for handling its freight. If the goods are transferred from the ships through this pier to lighters, most of the railroads can be tapped in that way as well as by the tunnel.

Mr. GALLAGHER. All of this commerce is going on in the Calumet River on account of better facilities?

Mr. THOMPSON. Yes.

The CHAIRMAN. Do you not think that the heavy commerce will eventually all go to that river?

Mr. THOMPSON. I do not think there is any doubt about it, unless Chicago does something. I think that is the reason it is there, and I think Chicago has lost her commerce because she has not been alive to what she was losing—

Mr. EDWARDS (interposing). But it would be partly restored if you should get the facilities?

Mr. THOMPSON. I do not think there is any doubt about it. I was going to say that this breakwater protects us from northeast storms.

When a southeast storm comes in, a ship anchored there is practically in an open roadstead and there is only one thing for her to do, and that is to go out to the open sea. I would like to see it carried on. It would give Chicago a harbor of refuge and would protect the pier in which the people of Chicago, in good faith, put their money, believing that they were making an investment that would restore a great deal of Chicago's commerce. Besides, it might be used for passenger traffic—

Mr. EDWARDS (interposing). You have plenty of depth in there, have you not?

Mr. THOMPSON. Yes, sir.

Mr. EDWARDS. What is the depth?

Mr. THOMPSON. It is 20 feet.

The CHAIRMAN. The project depth is 20 feet.

Mr. THOMPSON. The depth is 20 feet or more.

Mr. TREADWAY. How definite has been the consideration of that tunnel connection with the pier, or connection with the tunnel system?

Mr. THOMPSON. I do not know that any very serious consideration has been given to it, because we all knew that all we would have to do would be to hook it up at very small expense, and then the thing would be accomplished.

Mr. TREADWAY. You consider it important, do you not?

Mr. THOMPSON. Yes, sir.

Mr. SHANKLAND. Tentative plans have been made for connecting the tunnels with the pier.

Mr. THOMPSON. It is a small matter and an easy matter.

I think that is all I can say, unless there are some questions you would like to ask. I think the important matter is to give Chicago a harbor of refuge. She has made that investment that is endangered by the southeast gales. It is in danger of being seriously damaged if not destroyed. With this and proper protection here so that ships can land, and with tunnel connections all around, we feel that a great portion of Chicago's commerce would be restored to her, and we feel entitled to consideration on that account.

**STATEMENT OF MR. HARRY E. LITTLER, ALDERMAN, AND
CHAIRMAN OF THE HARBOR AND BRIDGES COMMITTEE, CHI-
CAGO, ILL.**

Mr. LITTLER. Mr. Chairman and gentlemen of the committee, the ground has been very thoroughly covered by the mayor and the corporation counsel. This pier has been under the supervision of a committee of which I have had the honor of being chairman. There have been some very pertinent questions put to the speakers who have preceded me, and one of them that I have in mind is the question of the loss of commerce to the Chicago River. That is apparent to us, and it has been brought about, perhaps, not through any lack on the part of the city officials but for the reason that there has been greater opportunities offered to industries on the Calumet River, and I want to state a few of them. Now, there is the Northwestern Railroad, which is building the largest grain elevator there is in this country on the Calumet River. The city council has just passed a dock ordinance for it, giving them a dock license. Now, why is that?

It is because it is contiguous to the belt line of the city of Chicago and all the railroads in the city of Chicago have access to the elevator. You will notice that in years back we have had elevators on the Chicago River, which were from time to time destroyed by fire and never rebuilt, because the ground area along the Chicago River is so expensive. It was so expensive that those interests went where they could get ground for from 20 to 40 cents per square foot as against from \$2 to \$5 per square foot on the Chicago River.

That is the reason why the Chicago River has lost a good deal of the volume of its commerce, although the city of Chicago has not lost it. It is still in the city of Chicago. Now, the pier that the public has developed there by a bond issue is to take care of a specific kind of freight that is consumed in the city of Chicago. It is strictly a passenger and package freight pier. It is not for bulk stuff or bulk commodities. The two largest coal industries that come into Chicago, using these 600-foot boats, have gone to the Calumet River and have built the finest coal docks there are in the country. That traffic has gone to the Calumet River, but it is still in the city of Chicago.

The passenger problem that has confronted the city of Chicago for the past 20 years is apparent here. We have not had proper passenger facilities or excursion facilities for a great city of two and a half million population. We are about eighth in rank, so far as the passenger-handling problem on the Great Lakes is concerned. Now, we have adequate passenger accommodations there; we have street accommodations there and we have street-car accommodations there, and we will relieve the congestion that has been so apparent in the loop during the last 10 or 15 years. So far as passenger boats are concerned, many of our passenger boats that come into the Chicago River to-day must be towed in and towed out, but they may tie up to this pier under their own steam and go away under their own steam. So this engineering problem is a problem that will redound to the benefit of the entire city of Chicago, so far as passenger accommodations are concerned.

Mr. EDWARDS. Do conditions become congested on the Calumet?

Mr. LITTLER. No, sir.

While probably not germane to this problem, I will say that the Calumet River is a river 300 feet wide at its maximum width and from 240 to 260 feet wide at its minimum. The city of Chicago has drawn ordinances, or had them drawn by the corporation counsel, and has had a survey made at some expense trying to prevent any encroachments on the Calumet River, bearing in mind the example that is ever before us on the Chicago River of encroachments made there by private interests. The channel line of the Calumet River is 200 feet, the same as that of the Chicago River, but the dock lines are from 30 to 40 feet and in some cases 60 feet back of that line. We have in mind the efficiency of the river there for all time to come.

One very important point raised by the honorable mayor was the question of a harbor of refuge, which the city of Chicago should have. The only refuge we have there is in the Chicago River, and you know how inadequate that is.

Another important question that was asked by members of the committee related to the mode of transferring package freight from that pier to stations for distribution throughout the agricultural

districts of the West and to the warehouses and grocery houses of the city of Chicago. I can show you where freight packages coming in here from Buffalo, for instance, consisting of canned goods, dry-goods, etc., will come. They come to Chicago by rail, the freight can be delivered on this pier, shot down into the tunnel and delivered. This warehouse that the mayor mentioned is used as a distributing point outside of Chicago, and when Marshall Field gets an order for some goods that order is filled and the goods sent to the warehouse for distribution to their destination perhaps six months later. That is true because, as you know, fall goods are sold in the spring, or in June. They are packed and sent, probably marked, to that warehouse, and when they are shipped out they are sent through that tunnel and over the railroad lines. It goes from the warehouse to the tunnel and to the railroads, and the charge is absorbed by the railroads.

When the city of Chicago determined to make that substantial development we had a comprehensive scheme outlined, and we came to this city and laid our plans before the War Department, the scheme calling for five units. To show our good faith, we asked for a bond issue of \$5,000,000, which was gladly subscribed by the citizens of Chicago. We then started out to build the first unit, which, mind you, was Pier No. 2—not Pier No. 1—it was Pier No. 2 in harbor district No. 1. We have the facilities there for making further developments to meet the needs required, but it would be foolhardy on the part of the city of Chicago to build all of this comprehensive scheme until we see what benefits will accrue to the city of Chicago by the unit constructed. So we have practically built two piers, as has been stated here, because, while only one of them has been constructed, it has two distinct freight and passenger slips—one 90 feet wide and the other 60-odd feet wide—to accommodate passengers and freight. We have shown our good faith with the Federal Government in this construction work.

The CHAIRMAN. Is there any proposition looking to the building of Pier No. 1?

Mr. LITTLER. There is no scheme on foot now to make any further development until this development is intensely occupied. When we find that it is necessary and that it is going to work out as we believe it will, we can then go to the public, and I believe the public will subscribe for a further bond issue for further developments. There was some talk of building a convention hall on this site, and I, as a member of the harbors committee and as chairman, was absolutely opposed to that until the feasibility of the harbor development in this harbor district No. 1 was thoroughly understood and realized.

So, in reply to the question which was asked here, whether it is the intention to devote the property to any other mode of civic life. I will say that it is not the intention of the harbor committee nor his honor the mayor, I believe, to dissipate any portion of harbor district No. 1, but to make a comprehensive development there that will redound to the development of commerce and the citizenship of the city of Chicago.

If there are any questions which members of the committee would like to ask me, I will be glad to answer them. I thank you.

Mr. GALLAGHER. So far as this committee is concerned, I think that is about all we care to offer.

I want to say that this is really the first time we have had a hearing upon this entire matter. When the appropriation was first asked for there was no effort on the part of the city to come here and show what the intention was, and there was some question which arose in the minds of the members of the committee, but I think now that the committee has solved the project and understands what it is. The mayor, the aldermen, the harbor master, and all the different elements of the city government join here in a request for this additional appropriation.

Mr. TREADWAY. I would like to ask the gentleman who referred to this connecting of the tunnel with the pier to explain that a little further.

Mr. SHANKLAND. I simply made a tentative plan with the tunnel company to ascertain the cost and feasibility. We found it perfectly feasible to construct the extension at a cost of \$125,000 to \$150,000. No action has been taken, but it can be done at any time that it might seem to be desirable.

Mr. TREADWAY. Has the railway company or the tunnel company shown any disposition to cooperate?

Mr. SHANKLAND. I do not believe the tunnel company is in any condition to finance the scheme, but they are willing to cooperate with the city.

Mr. TREADWAY. It will be up to the city to provide this connecting link?

Mr. SHANKLAND. Yes, sir. It is perfectly feasible.

Mr. TREADWAY. Has it been taken up by any of the city authorities?

Mr. SHANKLAND. Not so far as I know.

Mr. EDWARDS. I think Alderman Geiger should make a statement in regard to the tunnel company connecting up.

Mr. GALLAGHER. I will ask the committee to hear Mr. Geiger, the chairman of the aldermanic committee who has to do with the railway terminals in the city of Chicago.

STATEMENT OF MR. ELLIS GEIGER.

Mr. GEIGER. It has been already stated that we have in Chicago some 30 main-line roads and that the tunnel company which has been referred to has connections with about 27 of the main lines, so that freight delivered at any point to the tunnel company is delivered to any railroad directly or indirectly and the railroad receiving the freight absorbs the charges for such delivery. This tunnel at the present time is connected with the warehouses on the river, but the warehouse owned by the Pugh Terminal Co. is a short distance—how many feet, Mr. Shankland?

Mr. SHANKLAND. About a thousand feet.

Mr. GEIGER. It would, therefore, be necessary for the tunnel company or for the city to build the thousand feet of connecting link, and while it is perfectly feasible there is some financial reason why the tunnel company itself can not at this time make the extension; but I do not believe there will be any question but what this connection will be made as soon as the harbor itself is occupied by the various boat companies which enter Chicago. There is no question about

that. I think the financial features will be met by the owners of the tunnel company or by the railroad interests or by the city.

Mr. TREADWAY. The city authorities are favorable to this proposition?

Mr. GEIGER. There is no question in my mind but that all the city authorities are in favor of this, and that whatever may be worked out to the best advantage of the city and the interests generally, when submitted to the people, will be adopted.

Mr. TREADWAY. As the matter now stands, if the connection was not made, it would afford an opportunity for a nice monopoly by this wharfage concern?

Mr. GEIGER. That is true.

Mr. GALLAGHER. Except what might, perhaps, come from the lighterage fleet in the harbor.

Mr. TREADWAY. The railway company controls the warehouse and would have a very nice opportunity to handle all the goods?

Mr. GALLAGHER. That is a mistake; not through the warehouse—the Northwestern Railroad's warehouse is not connected up.

Mr. THOMPSON. This tunnel is 50 feet under ground. The cars come up on elevators to the levels where they load the grain in the basement or on the first or second floor of the warehouse. This tunnel runs right under the warehouse, and by building this extension a thousand feet, which I think is quite feasible, we can connect with the municipal pier. I had occasion to discuss about five years ago the connecting of that tunnel with some property about 5 miles from this point that I am interested in, and it was necessary to get a tunnel connection to handle the freight. This was another warehouse proposition, a small one, of my own. I went to the tunnel company about it, and they said that they would be very glad to do it, but that they were financially embarrassed and did not have the money, and that if I could get the money they would be very glad. In other words, they made me this proposition, that if I would furnish the money to build the tunnel from a point where it stopped, some 600 feet away from my property, to my property, they would pay it back to me in freight. In other words, they wanted to do the job and were very glad to do it, but did not have the money. That can be done very easily here, I think.

Mr. TREADWAY. You agree with the alderman that there is no question about the city having the authority?

Mr. THOMPSON. No, sir. Under their charter they have the right to build the tunnel.

Mr. GEIGER. They have the legal right now.

Mr. THOMPSON. They have sixty-odd miles already built underneath the city and they can make this extension. They certainly would, because it would be one of the greatest benefits. It is only a question of financing, and I think the city can make the arrangements if they build the tunnel to take it out in freight.

Mr. EDWARDS. Does the street railway do any freight business?

Mr. THOMPSON. No, sir; all passenger.

Mr. HUMPHREY. As to Mr. Treadway's suggestion that this warehouse might have a monopoly, the charges of the warehouse company are absorbed by the railroad and go into the long haul.

Mr. THOMPSON. Yes, sir.

Mr. HUMPHREYS. And that rate is fixed by the Interstate Commerce Commission?

Mr. THOMPSON. Yes, sir. This tunnel simply runs under the warehouses where thousands of tons of freight are being handled every day.

The CHAIRMAN. Gentlemen, I will have to leave the room now, and I will ask Mr. Burgess to take my place.

Mr. LITTLER. About the question of freight monopoly, in the Chicago River now there are two railroad lines that have a lighterage car service. The Erie Road, for instance, has barges along the river, and they unload the cars from the pier to the car lighters the same as they do in New York. I suppose all the roads will eventually have a car-lighterage service there that will have direct connection with the pier.

Mr. GALLAGHER. For the benefit of Mr. Treadway I will say that the tunnel is a bore underneath the city, about 50 or 60 feet down; that it is connected up with nearly all the roads and all the great commercial houses and big business concerns, and they handle the freight down there. The warehouse that the mayor spoke about is about a thousand feet away from the pier, and the tunnel runs underneath that and has a connection with the Pugh warehouse, but the Pugh warehouse has no connection or anything to do with the Government pier. Then the question arose as to having a tunnel underneath this Pugh warehouse to the docks on the municipal pier.

Mr. TREADWAY. I think I understand it.

Mr. CAHILL. I would like to be heard in opposition to this measure.

The ACTING CHAIRMAN. It is now 12 o'clock.

Mr. EDWARDS. You will be here all winter, Mr. Cahill?

Mr. CAHILL. If I get an opportunity to be heard.

Mr. EDWARDS. Then you can be heard at another time.

Mr. GEIGER. Whom does the gentleman represent in general?

Mr. CAHILL. I want to say to the chairman that I was here at the meeting the other day on the bridge matter. I represent the great boat interests of the United States, I represent 9 miles of the Chicago River, and I represent \$100,000,000 of improvements on the river.

(Thereupon the committee adjourned.)



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